



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA  
Memo No. CP14-154**

**1. Agenda Item Number:**

**28**

**2. Council Meeting Date:**  
September 12, 2013

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** August 26, 2013

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Municipal Utilities

**5. SUBJECT:** Annual contract extension for hydrogeological services with Southwest Ground-water Consultants.

**6. RECOMMENDATION:** Staff recommends City Council approve a one-year annual contract extension for hydrogeological services, Contract No. EN1203-101, with Southwest Ground-water Consultants, in an amount not to exceed \$500,000.

**7. BACKGROUND/DISCUSSION:** Staff anticipates needing services related to hydrogeological services including assessments, permitting assistance, well rehabilitation, design, and construction management services for the testing and drilling of wells. Council approved the initial contract on August 16, 2012, with the option to renew for four additional one-year terms. This is the first contract extension for Southwest Ground-water Consultants. This action will save on the cost of the selection process and time to bring individual projects forward.

**8. EVALUATION:** Consultant selection was conducted in accordance with established City policies and procedures. On July 3, 2012, staff received Statements of Qualifications from six firms for annual hydrogeological services. Southwest Ground-water Consultants was selected based on relevant experience and qualifications.

Staff recommends a one-year contract extension to Southwest Ground-water Consultants.

**9. FINANCIAL IMPLICATIONS:**

Cost: \$500,000

Savings: N/A

Long Term Costs: N/A

The owner/user department shall provide funding for each individual project.

**10. PROPOSED MOTION:** Move City Council approve a one-year annual contract extension for hydrogeological services, Contract No. EN1203-101, with Southwest Ground-water Consultants, in an amount not to exceed \$500,000.

**ATTACHMENTS:** Contract

**APPROVALS**

**11. Requesting Department**

Houston Knudson FOR:  
John Knudson, Utilities Engineering Manager

**13. Department Head**

Dave Siegel  
Dave Siegel, Municipal Utilities Director

**12. Transportation & Development**

Bob Fortier FOR:  
Bob Fortier, Capital Projects Manager

**14. City Manager**

Rich Dlugas  
Rich Dlugas

**NOTICE OF EXERCISE OF OPTION TO EXTEND  
ANNUAL CONTRACT FOR HYDROGEOLOGICAL SERVICES  
PROJECT NUMBER EN1203-101**

The City Council authorized the City of Chandler (hereinafter referred to as "CITY") and Southwest Ground-water Consultants,, an Arizona Corporation (hereinafter referred to as "ANNUAL CONSULTANT") to enter into an Annual Contract for Hydrogeological Services (hereinafter referred to as "AGREEMENT") which was approved by the City Council on August 16, 2012 and executed on August 17, 2012. The term of this extension begins on August 17, 2013 and expires on August 16, 2014.

WHEREAS, the parties entered into the AGREEMENT set forth above and executed such AGREEMENT on August 17<sup>th</sup>, 2012, and

WHEREAS, the term of the AGREEMENT was for one year commencing on the date of execution of the AGREEMENT which was August 17<sup>th</sup>, 2012, and

WHEREAS, CITY reserved the right to exercise options to renew the AGREEMENT for four additional one year terms, and

WHEREAS, CITY mistakenly did not exercise the option to extend prior to the end of the first term of the AGREEMENT, and

WHEREAS, CITY wishes to exercise its option to extend the AGREEMENT, and

WHEREAS, the delay by CITY in exercising its option to extend has been short, and

WHEREAS, the delay did not prejudice ANNUAL CONSULTANT and CITY would suffer substantial hardship absent extension of the AGREEMENT pursuant to the option to extend, and

WHEREAS, ANNUAL CONSULTANT agrees to waive any objection to CITY'S failure to timely exercise the option to extend.

NOW THEREFORE, in exchange of valuable consideration, the parties agree as follows.

1. The parties entered into the AGREEMENT set forth above and executed such AGREEMENT on August 17<sup>th</sup>, 2012.
2. The term of the AGREEMENT was for one year commencing on the date of execution of the AGREEMENT which was August 17<sup>th</sup>, 2012.
3. CITY reserved the right to exercise options to renew the AGREEMENT for four additional one year terms.
4. CITY mistakenly did not exercise the option to extend prior to the end of the first term of the AGREEMENT.
5. CITY wishes to exercise its option to extend the AGREEMENT.
6. The delay by CITY in exercising its option to extend has been short.

7. The delay did not prejudice ANNUAL CONSULTANT and CITY would suffer substantial hardship absent extension of the AGREEMENT pursuant to the option to extend.
8. ANNUAL CONSULTANT agrees to waive any objection to CITY'S failure to timely exercise the option to extend.
9. CITY hereby gives notice of the exercise of its option to extend the CONTRACT for one year pursuant to the same terms and conditions as the CONTRACT.
10. This Notice is hereby incorporated to the CONTRACT and must be filed with the City Clerk's Office.
11. The total cost of work issued to the ANNUAL CONSULTANT by the City of Chandler will not exceed Five Hundred Thousand dollars (\$500,000). See Exhibit A
12. All other terms and conditions of the above referenced Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first written above.

This Notice is hereby incorporated to the CONTRACT and must be filed with the City Clerk's Office

This Notice is hereby signed and approved by CITY and ANNUAL CONSULTANT

CITY OF CHANDLER

ANNUAL CONSULTANT:

\_\_\_\_\_  
MAYOR Date

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
*Robert D. Noel*  
*President*

ATTEST:

ATTEST: If Corporation

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
*Margaret E. Gompert*  
Secretary

APPROVED AS TO FORM:

WITNESS: (If individual or Partnership)

\_\_\_\_\_  
City Attorney by: \_\_\_\_\_

SEAL \_\_\_\_\_

CC: City Clerk User Dept Project Mgr Consultant Project Analyst File

**EXHIBIT A  
FEE SCHEDULE**

| <b>PERSONNEL/ITEM</b>                           | <b>RATES (\$)</b>             |
|---|-------------------------------|
| <b>Southwest Ground-water Consultants, Inc.</b> |                               |
| Principal                                       | 160/hr                        |
| Senior Professional                             | 155/hr                        |
| Project Manager                                 | 150/hr                        |
| Project Professional                            | 110/hr                        |
| Staff Professional                              | 85/hr                         |
| Technician                                      | 75/hr                         |
| Technical Aide                                  | 50/hr                         |
| CADD Operator                                   | 50/hr                         |
| Graphics Illustrator                            | 50/hr                         |
| Word Processor                                  | 50/hr                         |
| Administrative Assistant                        | 50/hr                         |
| Vehicles  | 1.50/mi                       |
| Field Equipment                                 | 75/day                        |
| Expert Testimony                                | 1,500/day,<br>750 1/2 day min |
| <b>Basin Wells Associates, PLLC</b>             |                               |
| Office  | 135/hr                        |
| Field   | 85/hr                         |
| Vehicles  | 1.50/mi                       |
| Field Equipment                                 | 75/day                        |



**Chandler • Arizona**  
*Where Values Make The Difference*

August 20, 2012

Fax 602-955-7585

Mr. William Greenslade  
Southwest Ground-water Consultant  
3033 N. 44<sup>th</sup> St., Ste. 120  
Phoenix, AZ 85018

Subject: **NOTICE OF AWARD OF ANNUAL ENGINEERING SERVICES**

**Project Name:** Annual Hydrogeological Services  
**Project Number:** EN1203-101  
**Effective Date:** August 17, 2012  
**Expiration Date:** August 16, 2012  
**Amount:** \$ 500,000  
**Council Approval:** August 16, 2012  
**Item Number:** 19

It is our pleasure to inform you the City Council has approved engaging the services of **Annual Hydrogeological Services** in an amount not to exceed **\$500,000**.

The term of this Agreement is one year commencing on the date the Agreement is executed by the last party to sign, with CITY reserving the option to extend the Agreement for four (4) additional terms one for each year.

**The project number must appear on all correspondence.** One (1) fully executed contract is enclosed. No work under this contract is to commence until the City has issued a fully executed Project Agreement and Notice to Proceed (NTP).

If you have any questions, please call Contract Administration at 782-3308.

Sincerely,

Paula Brown  
Contract Services Representative  
Enclosures

C: w/C. Memo Elisa Pursley / City Clerk / Purchasing / Project Manager / Project File



**Mailing Address**  
Mail Stop 407  
PO Box 4008  
Chandler, Arizona 85244-4008

**Transportation & Development  
Department**

**Telephone** (480) 782-3307  
**Fax** (480) 782-3355  
**Web** [www.chandleraz.gov](http://www.chandleraz.gov)

**Location**  
215 East Buffalo Street  
Chandler, Arizona 85225

## ANNUAL CONTRACT FOR PROFESSIONAL SERVICES

**PROJECT NO:** EN1203-101  
**PROJECT NAME:** Annual Hydrogeological Services

This AGREEMENT is made this 20 day of Aug, 2012, by and between the City of Chandler, a municipal corporation (hereinafter referred to as "CITY"), and **Southwest Ground-water Consultants, an Arizona corporation**, (hereinafter referred to as "ANNUAL CONSULTANT").

WHEREAS, the Mayor and City Council of the City of Chandler are authorized and empowered by provisions of the City Charter to execute contracts for professional services; and

WHEREAS, ANNUAL CONSULTANT represents that ANNUAL CONSULTANT has the expertise and is qualified to perform the services described in this Agreement.

NOW THEREFORE, CITY and ANNUAL CONSULTANT, in consideration of the mutual covenants hereinafter set forth, agree as follows:

### 1. DESCRIPTION OF WORK

1.1 This is an indefinite quantity and indefinite delivery Annual Contract to provide professional services including **Annual Hydrogeological Services**, to the City of Chandler. For any project determined by CITY to be appropriate for this Annual Contract, CITY will issue a delivery order to ANNUAL CONSULTANT, at which time the parties will execute a Project Agreement specifying the cost and completion schedule for that project. **Although CITY anticipates that ANNUAL CONSULTANT will be issued a substantial amount of work, the total cost of work issued to the ANNUAL CONSULTANT by the City of Chandler in any one-year contract term will not exceed Five Hundred Thousand Dollars (\$500,000). ANNUAL CONSULTANT is not guaranteed any minimum amount of work nor any jobs at all. ANNUAL CONSULTANT is aware that there is more than one Annual Consultant who has been awarded an Annual Contract for this type of work. CITY reserves the right and will issue delivery orders based on ability of the contractor to meet CITY's work schedule and the availability of trades and expertise in relation to each project.**

1.2 Each task shall be reviewed and approved by CITY to determine acceptable completion. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of each Project Agreement, shall be and remain the property of CITY and shall be delivered to CITY before payment is made to ANNUAL CONSULTANT.

1.3 The ANNUAL CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract amendment and signed by the Contract Administrator.

### 2. CITY REPRESENTATIVE

To provide the professional services required by this Agreement, ANNUAL CONSULTANT shall act under the authority and approval of City Engineer or designee. For each Project a City Representative will be appointed who shall oversee the Project Agreement, assist the ANNUAL CONSULTANT with any necessary information, audit billings, and approve payments. The ANNUAL CONSULTANT shall channel reports and special requests through the City Representative.

### 3. ENGINEER'S KEY PERSONNEL

CITY reserves the right to review and approve ANNUAL CONSULTANT'S staff to be assigned to any project by ANNUAL CONSULTANT during the term of this Agreement.

#### **4. FEE SCHEDULE**

- 4.1 CITY shall pay ANNUAL CONSULTANT for each Project an amount not to exceed that specified in each Project Agreement based on the rates shown on the Fee Schedule attached hereto as Exhibit A and incorporated herein by reference.
- 4.2 The cumulative total amount of fees paid to ANNUAL CONSULTANT for all Project Agreements under this Contract shall not exceed the sum of **Five Hundred Thousand Dollars (\$500,000)**.
- 4.3 An Application and Certification for Payment form must be submitted to CITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within a project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests

#### **5. CONTRACT TERM AND DELIVERY**

- 5.1 The term of this Agreement is one year commencing on the date the agreement is executed by the last party to sign, with CITY reserving the option to extend the agreement for **four (4)** additional terms of one year each.
- 5.2 Within ten (10) days of the date CITY issues a delivery order or Project Agreement, ANNUAL CONSULTANT shall submit to CITY a schedule indicating the times for starting and completing the various stages of the work, including any Milestones specified in the Project Agreement and as more fully described therein. The schedule shall be satisfactory in form and substance to CITY. Upon acceptance of these schedules by CITY, they shall be incorporated into the Project Agreement.
- 5.3 Time is of the essence. All of the time limits for Milestones, if any, and completion and readiness for final payment as stated in the Project Agreement, are of the essence of both the Project Agreement and this Annual Contract.
- 5.4 Failure of ANNUAL CONSULTANT to perform any covenant or condition contained herein and in the Project Agreement within the time periods specified therein, shall constitute a material breach of both the Project Agreement and this Annual Contract, entitling CITY to terminate either or both the Project Agreement and this Annual Contract, unless ANNUAL CONSULTANT applies for and receives an extension of time in accordance with the procedures set forth herein.

#### **6. TAXES**

- 6.1 ANNUAL CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by ANNUAL CONSULTANT in accordance with state and local laws.
- 6.2 ANNUAL CONSULTANT shall be required to obtain a current City of Chandler privilege tax license before the first Project Agreement is issued.

#### **7. PATENT FEES AND ROYALTIES**

ANNUAL CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified in the contract documents for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to

patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. ANNUAL CONSULTANT shall defend, indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified in the contract documents, and shall defend all such claims in connection with any alleged infringement of such rights.

**8. STANDARDS OF PERFORMANCE:**

- A. This design contract has been awarded to ANNUAL CONSULTANT based on their proposal that those personnel and consultants listed in Exhibit A attached hereto will perform the portions of the work listed on said Exhibit A. ANNUAL CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.
- B. ANNUAL CONSULTANT shall be responsible for the technical accuracy of its services and documents resulting therefrom, and CITY shall not be responsible for discovering deficiencies therein. ANNUAL CONSULTANT shall correct any such deficiencies without additional compensation or cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.
- C. ANNUAL CONSULTANT shall be familiar with CITY's Standard Details and Specifications and other relevant CITY regulations. ANNUAL CONSULTANT shall ensure there are no conflicts among the Contract Documents including, but not limited to, the CITY's General and Supplementary Conditions for Construction Contracts, the plans and specifications prepared by ANNUAL CONSULTANT, any standard details or specifications incorporated therein by reference, and the Construction Contract.
- D. **Correction of Mistakes:** ANNUAL CONSULTANT shall be responsible for the completeness and accuracy of the work prepared or compiled under ANNUAL CONSULTANT's obligation for this project and shall correct, at ANNUAL CONSULTANT's expense, all errors or omissions therein which may be disclosed. Correction of errors disclosed and determined to exist during any construction of the project on architectural or engineering drawings and specifications shall be accomplished by ANNUAL CONSULTANT. The cost of the design necessary to correct those errors attributable to ANNUAL CONSULTANT and any damage incurred by CITY as a result of additional construction costs caused by such engineering or architectural errors shall be chargeable to ANNUAL CONSULTANT and shall not be considered a cost of the Work. The fact that CITY has reviewed or approved ANNUAL CONSULTANT's work shall in no way relieve ANNUAL CONSULTANT of any of its responsibilities.

**9. INDEMNIFICATION**

To the fullest extent permitted by law, ANNUAL CONSULTANT shall defend, indemnify and hold harmless the City of Chandler, its agents, representatives, officers, directors, officials and employees, individually and collectively, (hereinafter CoC) from and against all losses, claims, damages, suits, actions, payments, judgments, demands, expenses, and costs, including but not limited to, attorney's fees, defense costs, court costs, and the cost of appellate proceedings, or actions of any kind and nature related to, arising out of, or alleged to have resulted from the errors, mistakes or omissions relating to professional services by ANNUAL CONSULTANT, its employees, agents, or any tier of subcontractors in the performance of this Contract or of any other person for whose errors, mistakes or omissions ANNUAL CONSULTANT may be legally liable. The provisions of this paragraph shall survive termination of this Contract.

- A. **Consequential Damages:**



- The parties intend that damages and/or costs and all other terms implying an amount tied to liability shall include consequential damages and loss of productivity.
- B. Insurance does not limit liability:

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

## **10. INSURANCE REQUIREMENTS**

### **10.1 General Requirements**

- 10.1.1 ANNUAL CONSULTANT, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of A-6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.
- 10.1.2 With the exception of professional liability policies, policies written on a "Claims made" basis are not acceptable without written permission from the City's Risk Manager.
- 10.1.3 All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.
- 10.1.4 If any of the insurance policies are not renewed prior to expiration, payments to the ANNUAL CONSULTANT may be withheld until these requirements have been met, or at the option of the CITY, the CITY may pay the Renewal Premium and withhold such payments from any monies due the ANNUAL CONSULTANT.
- 10.1.5 All insurance policies, except Workers' Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- 10.1.6 ANNUAL CONSULTANT's insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
- 10.1.7 The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of ANNUAL CONSULTANT's acts, errors, mistakes, omissions, work or service.
- 10.1.8 The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of ANNUAL CONSULTANT. ANNUAL CONSULTANT shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require ANNUAL CONSULTANT to secure payment of such deductibles or self-insured retentions by a Surety Bond or an Irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of \$25,000 will only be accepted with the permission of the Management Services Director/designee.

10.1.9 All policies and certificates shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.

10.1.10 Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the ANNUAL CONSULTANT with reasonable promptness in accordance with the ANNUAL CONSULTANT's information and belief.

10.1.11 In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the ANNUAL CONSULTANT until such time as the ANNUAL CONSULTANT shall furnish such additional security covering such claims as may be determined by the CITY.

#### **10.2 Proof of Insurance – Certificates of Insurance**

10.2.1 Prior to commencing work or services under this Agreement, ANNUAL CONSULTANT shall furnish to CITY Certificates of Insurance, issued by ANNUAL CONSULTANT's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.

10.2.2 If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler five (5) days prior to the expiration date.

10.2.3 All Certificates of Insurance shall identify the policies in effect on behalf of ANNUAL CONSULTANT, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.

10.2.4 CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise ANNUAL CONSULTANT of any deficiencies in such policies and endorsements, and such receipt shall not relieve ANNUAL CONSULTANT from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of ANNUAL CONSULTANT's obligations under this Agreement.

#### **10.3 Commercial General Liability - Minimum Coverage Limits:**

Commercial General Liability-Occurrence Form. Annual consultant must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 operations, independent contractors, products completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

#### **10.4 Automobile Liability**

ANNUAL CONSULTANT shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the ANNUAL CONSULTANT's work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any

replacements thereof). Such insurance shall include coverage for loading and off loading hazards if hazardous substances, materials or wastes are to be transported and a MCS 90 endorsement shall be included with coverage limits of \$5,000,000 per accident for bodily injury and property damage.

#### **10.5 Worker's Compensation and Employer's Liability**

ANNUAL CONSULTANT shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over ANNUAL CONSULTANT's employees engaged in the performance of the work or services; and, Employer's Liability Insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit. In case any work is subcontracted, ANNUAL CONSULTANT will require the SubConsultant to provide Workers' Compensation and Employer's Liability to at least the same extent as required of ANNUAL CONSULTANT.

If CONTRACTOR is a sole proprietor and has no employees, CITY will accept a "Sole Proprietor Waiver" in lieu of Workers' Compensation Insurance. (Attach if applicable)

#### **10.6 Professional Liability**

ANNUAL CONSULTANT shall maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by ANNUAL CONSULTANT, or any person employed by ANNUAL CONSULTANT, with a claims made policy limit of not less than \$1,000,000 per occurrence or claim.

#### **11. TERMINATION WITHOUT CAUSE**

CITY reserves the right to terminate this Agreement or any part thereof for its sole convenience with fifteen- (15) days written notice. In the event of such termination, ANNUAL CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subconsultants to cease such work. As compensation in full for services performed to the date of such termination, the ANNUAL CONSULTANT shall receive a fee in accordance with the Fee Schedule attached as Exhibit A.

#### **12. TERMINATION WITH CAUSE**

"This Agreement may be terminated by CITY for cause should the ANNUAL CONSULTANT fail to perform any provision of this Agreement, including without limitation, for any of the following reasons:

- (a) ANNUAL CONSULTANT abandons Work;
- (b) ANNUAL CONSULTANT assigns or attempts to assign its rights or obligations under this Agreement or any part thereof to any third-party (without the prior written consent of CITY;
- (c) ANNUAL CONSULTANT is adjudged bankrupt or insolvent, makes a general assignment for the benefit of creditors, has a trustee or receiver appointed for its property, or files a petition to take advantage of any debtor's act;
- (d) ANNUAL CONSULTANT fails or refuses to perform any obligation under the Agreement, or fails to remedy such nonperformance within seven (7) days after its occurrence;
- (e) ANNUAL CONSULTANT fails to comply with any applicable Laws and fails to remedy such nonperformance within seven (7) days after its occurrence;
- (f) ANNUAL CONSULTANT fails to achieve the required dates for performance required pursuant to the Agreement.

The CITY'S right of termination for cause as set forth herein shall be in addition to, and not a limitation of, any and all other remedies available to CITY at law, in equity, or under the terms and provisions of this Agreement."

**13. ALTERNATE DISPUTE RESOLUTION**

- 13.1 Arizona Law. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 13.2 Jurisdiction and Venue. The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.
- 13.3 Fees and Costs. Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.

**14. ARBITRATION OF CLAIMS AND DISPUTES**

All arbitration of claims shall be conducted in Chandler, Arizona, in accordance with the Uniform Rules of Procedure for Arbitration adopted by the Arizona Supreme Court (Uniform Rules), except for any rules therein allowing or concerning appeal. Where necessary to allow arbitration to proceed, CITY and ANNUAL CONSULTANT shall execute an Agreement of Reference consistent with the provisions of this Agreement.

**15. MISCELLANEOUS**

- 15.1 No assignment by a party hereto of any rights under or interests in the contract documents will be binding on another party hereto, without the written consent of the party sought to be bound; and specifically but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Annual Contract or any Project Agreement.
- 15.2 The failure of any party to enforce against another party any provision of this agreement shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this agreement.

**16. OWNERSHIP OF DOCUMENTS**

All documents, including, but not limited to, tracings, drawings, original mylars, estimates, field notes, investigations, design analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, the CITY. ANNUAL CONSULTANT shall furnish the CITY, upon its request, originals or reproducible of technical specifications and copies of all other documents listed above. ANNUAL CONSULTANT shall endorse, by his professional seal, all plans and Consulting data furnished by him.

**17. RE-USE OF DOCUMENTS**

The parties agree the documents, drawings, specifications and designs, although the property of CITY, are prepared for this specific project and are not intended nor represented by ANNUAL

CONSULTANT to be suitable for re-use for any other project. Any reuse without written verification or adaptation by ANNUAL CONSULTANT for the specific purpose intended will be at CITY's sole risk and without liability or legal exposure to ANNUAL CONSULTANT.

**18. NO-KICK-BACK CERTIFICATION**

18.1 ANNUAL CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the CITY has any interest, financially or otherwise, in the CONSULTING firm.

18.2 For breach or violation of this warranty, the CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

**19. CONFLICT OF INTEREST**

19.1 ANNUAL CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract.

19.2 Pursuant to A.R.S. Section 38-511, the City may cancel this contract within three (3) years after its execution, without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Chandler is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

**20. CONTROLLING LAW**

The law of the state of Arizona shall govern this Contract.

**REQUIRED COMPLIANCE WITH ARIZONA PROCUREMENT LAW**

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the Immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty (Exhibit B) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract.

"Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-391.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan.

## 21. Cooperative Purchasing

**Cooperative Use of Contract.** In addition to the City of Chandler and with approval of the ANNUAL CONSULTANT, this Contract may be extended for use by other municipalities, school districts and government agencies of the State. A current listing of eligible entities may be found at [www.maricopa.gov/materials](http://www.maricopa.gov/materials) and then click on 'Contracts', 'S.A.V.E.' listing and 'ICPA'. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

## 22. Notices

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

IN WITNESS WHEREOF, the parties have hereto have executed this contract on this 17 day of August, 2012:

CITY OF CHANDLER:

Jay Schrey 8/17/12  
MAYOR Date

ADDRESS FOR NOTICE:  
City of Chandler:  
P.O. Box 4008, Mail Stop 407  
Chandler, AZ 85244-4008  
480-782-3307

APPROVE AS TO FORM:

Donald K. M.  
City Attorney by: Donald K. M.

ATTEST:

Maile Paddock  
City Clerk



ANNUAL CONSULTANT:

By: Steph D. Noel  
Signature

Print Name: STEPHEN D. NOEL  
Title: President

ADDRESS FOR NOTICE:  
3033 N. 44<sup>th</sup> ST.  
SUITE 120  
PHX. AZ 85018

Phone: 602-955-5547

ATTEST: If Corporation

Secretary

**EXHIBIT A  
FEE SCHEDULE**

| <b>PERSONNEL/ITEM</b>                           | <b>RATES (\$)</b>             |
|---|-------------------------------|
| <b>Southwest Ground-water Consultants, Inc.</b> |                               |
| Principal                                       | 160/hr                        |
| Senior Professional                             | 155/hr                        |
| Project Manager                                 | 150/hr                        |
| Project Professional                            | 110/hr                        |
| Staff Professional                              | 85/hr                         |
| Technician                                      | 75/hr                         |
| Technical Aide                                  | 50/hr                         |
| CADD Operator                                   | 50/hr                         |
| Graphics Illustrator                            | 50/hr                         |
| Word Processor                                  | 50/hr                         |
| Administrative Assistant                        | 50/hr                         |
| Vehicles  | 1.50/mi                       |
| Field Equipment                                 | 75/day                        |
| Expert Testimony                                | 1,500/day,<br>750 1/2 day min |
| <b>BasinWells Associates, PLLC</b>              |                               |
| Office  | 135/hr                        |
| Field   | 85/hr                         |
| Vehicles  | 1.50/mi                       |
| Field Equipment                                 | 75/day                        |

**EXHIBIT B**  
**Contractor Immigration Warranty**  
**To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal Immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

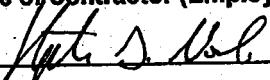
By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

|  |                                 |                  |  |
|--|---------------------------------|------------------|--|
| <b>Project Number/Division:</b>          | EN1203-101                      |                  |  |
| <b>Name (as listed in the contract):</b> | Annual Hydrogeological Services |                  |  |
| <b>Street Name and Number:</b>           |                                 |                  |  |
| <b>City:</b>                             | <b>State:</b>                   | <b>Zip Code:</b> |  |

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal Immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The contractor has identified all contractor and subcontractor employees who perform work under the contract and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal Immigration laws and regulations, and A.R.S. § 23-214.

**Signature of Contractor (Employer) or Authorized Designee:**



**Printed Name:** STEPHEN D. NOGEL

**Title:** President

**Date (month/day/year):** 8/1/2012





# CERTIFICATE OF LIABILITY INSURANCE

SOUTH-2

OP ID: WD

DATE (MM/DD/YYYY)

08/02/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

|   |                              |  |
|---|------------------------------|--|
| PRODUCER<br><b>Professional Underwriters of Arizona, Inc.</b><br>P.O. Box 5419<br>Scottsdale, AZ 85261-5419 | 480-483-0440<br>480-948-7752 | CONTACT NAME:<br>PHONE (A/C, No, Ext):<br>E-MAIL ADDRESS:<br>FAX (A/C, No):  |
| INSURED<br><b>Southwest Ground-Water</b><br>3033 N 44th St Ste 120<br>Phoenix, AZ 85018                     |                              | INSURER(S) AFFORDING COVERAGE<br>INSURER A: <b>RLI Insurance Company</b> NAIC # <b>13056</b><br>INSURER B: <b>Navigators Insurance Company</b> NAIC # <b>42307</b><br>INSURER C:<br>INSURER D:<br>INSURER E:<br>INSURER F: |

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR LTR | TYPE OF INSURANCE  | ADDL SUBR INSR WVD              | POLICY NUMBER              | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS  |
|----------|--|---------------------------------|----------------------------|-------------------------|-------------------------|---|
| A        | GENERAL LIABILITY<br><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR<br><input checked="" type="checkbox"/> Bkt AI & WOS<br><input checked="" type="checkbox"/> Contractual Liab<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | X X                             | PSB0001203                 | 10/01/11                | 10/01/12                | EACH OCCURRENCE \$ 2,000,000<br>DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000<br>MED EXP (Any one person) \$ 10,000<br>PERSONAL & ADV INJURY \$ 2,000,000<br>GENERAL AGGREGATE \$ 4,000,000<br>PRODUCTS - COM/PO/OP AGG \$ 4,000,000 |
| A        | AUTOMOBILE LIABILITY<br><input checked="" type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input checked="" type="checkbox"/> HIRED AUTOS<br><input checked="" type="checkbox"/> Bkt AI<br><input type="checkbox"/> SCHEDULED AUTOS<br><input checked="" type="checkbox"/> NON-OWNED AUTOS<br><input checked="" type="checkbox"/> Bkt WOS  | X X                             | PSA0001065                 | 10/01/11                | 10/01/12                | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000<br>BODILY INJURY (Per person) \$<br>BODILY INJURY (Per accident) \$<br>PROPERTY DAMAGE (Per accident) \$   |
|          | UMBRELLA LIAB<br>EXCESS LIAB<br>DED RETENTION \$   |                                 |                            |                         |                         | EACH OCCURRENCE \$<br>AGGREGATE \$  |
| A        | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below   | Y/N<br><input type="checkbox"/> | PSW0001230<br>WAIVER SUBRO | 10/01/11                | 10/01/12                | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER<br>E.L. EACH ACCIDENT \$ 1,000,000<br>E.L. DISEASE - EA EMPLOYEE \$ 1,000,000<br>E.L. DISEASE - POLICY LIMIT \$ 1,000,000                              |
| B        | Professional Liab<br>Full Prior Acts   | X                               | CM12DPL014802IV            | 04/16/12                | 04/16/13                | Per Claim 1,000,000<br>Ann Agg 2,000,000  |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Annual Hydrogeological Service

Project # EN1203-101

The City of Chandler, its agents, representatives, officers, directors, officials and employees are additional insured as indicated. Coverages afforded are primary and noncontributory basis; waiver of subrogation and

## CERTIFICATE HOLDER

CITYC02

City of Chandler Public Works-  
Engineering  
215 E Buffalo St, Ste 101  
Chandler, AZ 85244-4008

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**NOTEPAD:**

HOLDER CODE CITYC02  
INSURED'S NAME Southwest Ground-Water

SOUTH-2  
OP ID: WD

PAGE 2  
DATE 08/02/12

severability of interest applies.  
Should any of the above described policies be cancelled before the  
expiration date thereof, the insurer affording coverage will mail 30 days  
written notice to the certificate holder \*Except 10 days for nonpayment.

Attached:  
PPB304 06 10  
PPA300 06 10  
WC000313

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RLIPack® FOR DESIGN PROFESSIONALS  
BLANKET ADDITIONAL INSURED ENDORSEMENT**

CMBOLFU XBJW'S PG TVCSPHWPQ- QSTNBSZ ' QPQJPOUSJCVPUSZ

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM - SECTION II - LIABILITY**

1. **C. WHO IS AN INSURED** is amended to include as an additional insured any person or organization that you agree in a contract or agreement requiring insurance to include as an additional insured on this policy, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by you or those acting on your behalf:
  - a. In the performance of your ongoing operations;
  - b. In connection with premises owned by or rented to you; or
  - c. In connection with "your work" and included within the "product-completed operations hazard".
2. The insurance provided to the additional insured by this endorsement is limited as follows:
  - a. This insurance does not apply on any basis to any person or organization for which coverage as an additional insured specifically is added by another endorsement to this policy.
  - b. This insurance does not apply to the rendering of or failure to render any "professional services".
  - c. This endorsement does not increase any of the limits of insurance stated in **D. Liability And Medical Expenses Limits of Insurance**.
3. The following is added to **SECTION III H.2. Other Insurance - COMMON POLICY CONDITIONS (BUT APPLICABLE ONLY TO SECTION II - LIABILITY)**

However, if you specifically agree in a contract or agreement that the insurance provided to an

additional insured under this policy must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a. The "bodily injury" or "property damage" for which coverage is sought occurs after you have entered into that contract or agreement; or
- b. The "personal and advertising injury" for which coverage is sought arises out of an offense committed after you have entered into that contract or agreement.

4. The following is added to **SECTION III K. 2. Transfer of Rights of Recovery Against Others to Us - COMMON POLICY CONDITIONS (BUT APPLICABLE TO ONLY TO SECTION II - LIABILITY)**

We waive any rights of recovery we may have against any person or organization because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" arising out of "your work" performed by you, or on your behalf, under a contract or agreement with that person or organization. We waive these rights only where you have agreed to do so as part of a contract or agreement with such person or organization entered into by you before the "bodily injury" or "property damage" occurs, or the "personal and advertising injury" offense is committed.

**ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.**

WORKERS COMPENSATION  
AND  
EMPLOYERS LIABILITY POLICY  
ENDORSEMENT WC 00 03 13 (00)-01

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

**DESIGNATED ORGANIZATION:**

ALL PERSONS OR ORGANIZATIONS THAT ARE PARTIES TO A CONTRACT  
THAT REQUIRES YOU TO OBTAIN THIS AGREEMENT, PROVIDED YOU  
EXECUTED THE CONTRACT BEFORE THE LOSS

DATE OF ISSUE: 11-20-07

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM**

**BLANKET ENDORSEMENT**

**A. Broad Form Named Insured**

The following is added to the **SECTION II – LIABILITY Coverage, Paragraph A.1. Who Is An Insured Provision**:

Any business entity newly acquired or formed by you during the policy period, provided you own fifty percent (50%) or more of the business entity and the business entity is not separately insured for Business Auto Coverage. Coverage is extended up to a maximum of one hundred eighty (180) days following the acquisition or formation of the business entity.

This provision does not apply to any person or organization for which coverage is excluded by endorsement.

**B. Employees As Insureds**

The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision**:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

**C. Blanket Additional Insured**

The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision**:

Any person or organization that you are required to include as an additional insured on this coverage form in a contract or agreement that is executed by you before the "bodily injury" or "property damage" occurs is an "insured" for liability coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in **SECTION II – LIABILITY COVERAGE**.

The insurance provided to the additional insured will be on a primary and non-contributory basis to the additional insured's own business auto coverage if you are required to do so in a contract or agreement that is executed by you before the "bodily injury" or "property damage" occurs.

**D. Blanket Waiver Of Subrogation**

The following is added to the **SECTION IV – BUSINESS AUTO CONDITIONS, A. Loss Conditions, 5. Transfer Of Rights Of Recovery Against Others To Us**:

We waive any right of recovery we may have against any person or organization to the extent required of you by a contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.

**E. Employee Hired Autos**

1. The following is added to the **SECTION II – LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured Provision**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. Changes In General Conditions:

Paragraph 5.b. of the **Other Insurance Condition** in the **BUSINESS AUTO CONDITIONS** is deleted and replaced with the following:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in that individual "employee's" name, with your permission, while performing duties related to the conduct of your business. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

**F. Fellow Employee Coverage**

**SECTION II – LIABILITY COVERAGE, Exclusion B.5.** does not apply if you have workers compensation insurance in-force covering all of your employees.

**G. Auto Loan Lease Gap Coverage**

**SECTION III – PHYSICAL DAMAGE COVERAGE, C. Limit Of Insurance**, is amended by the addition of the following:

In the event of a total "loss" to a covered "auto" shown in the Schedule of Declarations, we will pay any unpaid amount due on the lease or loan for a covered "auto", less:



**Re: Fw: 2012-2013 Annual Contract EN1203-101 Fee Schedule**

**Hafiz Noor** to: Paula Brown

07/23/2012 07:50 AM

Paula,

The Fee are good please proceed.

Thanks

Hafiz Noor  
Engineering Project Manager  
Transportation & Development

PO Box 4008, MS 407  
215 E Buffalo Street, Suite 101  
Chandler, AZ 85244-4008  
hafiz.noor@chandleraz.gov  
www.chandleraz.gov  
Ph: (480) 782-3324 Fax: (480) 782-3355

From: Paula Brown/COC  
To: Hafiz Noor/COC@Chandleraz.gov  
Date: 07/20/2012 02:22 PM  
Subject: Fw: 2012-2013 Annual Contract EN1203-101 Fee Schedule

---

Please let me know when you determine these rates are acceptable, so I can copy them into the new contract.



*Paula Brown*

Contract Services Representative  
Transportation & Development Department  
Engineering Division  
City of Chandler

Physical Address: 215 E. Buffalo St. - 85225

Mailing Address: Mail Stop 407, PO Box 4008 - 85244-4008